

# Vermont Housing & Conservation Board

February 24, 2009



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Executive Director

Susan Hudson, Clerk  
Public Service Board  
112 State Street  
Montpelier, VT 05602

Dear Ms. Hudson,

I am writing a day late with regard to comments on the Regional Greenhouse Gas Initiative proposed contract. I apologize for this delay but I'm writing with what I hope will be greeted as good news for the Board Chair.

The Vermont Housing & Conservation Board and other partners have agreed to a set of principles and a framework for rolling out year one of the RGGI. We and our housing partners will be working closely with CVCAC and other weatherization program operators to assist in the identification of properties where rendering a 25% energy savings is possible. We will also assist in facilitating a dialogue with the homeownership centers, who are administering a \$2 million Community Development Block Grant Program for single family homeowners in order to make sure that RGGI and CDBG resources are used in a complimentary fashion that does not confuse eligible homeowners.

Obviously, these principles and framework need to be turned into a set of operating understandings and contract documents. We expect to be successful in this endeavor over the next few weeks and, therefore, hope to help successfully launch this program this year. We anticipate that our roles will include training, project underwriting, financial packaging and project selection.

VHCB and VHFA anticipate that we will compliment the RGGI effort with both foundation funding, private equity and loans.

One issue of common concern among all the parties to our agreement is whether the current screening tool is the appropriate one to determine which measures should be immediately implemented. We will continue a dialogue among the partners and with the Public Service Department and the Public Service Board on this key issue.

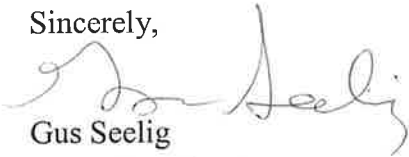
In brief, the assets we are targeting for investment are long-term assets of the State of Vermont providing housing for persons with very limited incomes. The assets are rent restricted for extended periods of time and we anticipate that

*Equal Housing Opportunity*

these assets will be home to lower income Vermonters for at least 30 year and generally in perpetuity. Our concern is that we will be specifically targeting some properties as part of major redevelopment and refinance activities. This provides a once in 20-30 year opportunity to upgrade a variety of systems that can save carbon and produce the results anticipated. The screening tool may limit applicability to those measures that will pay back within a much shorter timeframe. The tool may, therefore, steer us away from implementing measures that will have long-term positive benefits in reducing carbon emissions.

Such a short-term view of which measures to implement is not, in our view, appropriate for long-term assets of the State. We will advise the Board if this issue becomes a barrier to successful implementation of the program.

Sincerely,

A handwritten signature in cursive script, appearing to read "Gus Seelig".

Gus Seelig  
Executive Director